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mar. 1, 1971

FOREIGN AGRICULTURE

SCIENCE

March 1, 1971

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Canada Plans Protein Grading of Wheat

Problems Hit Philippine Farm Trade

Foreign
Agricultural
Service
U.S. DEPARTMENT
OF AGRICULTURE

FOREIGN AGRICULTURE

VOL. IX • No. 9 • March 1, 1971

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Philippine sugarcane, which yields one of the country's major export crops, is pictured just after harvest.

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Use of funds for printing *Foreign Agriculture* has been approved by the Director of the Bureau of the Budget (May 1, 1969). Yearly subscription rate, $10.00 domestic, $13.00 foreign; single copies 20 cents. Order from Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

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Canada's New Grain A

To Promote It

n Act: Protein Grading e Its World Wheat Sales

By EDWARD F. SEEBORG
Grain and Feed Division
Foreign Agricultural Service

A new marketing tool is being forged in Canada to increase overseas sales of wheat and possibly make some inroads into traditional U.S. markets—the adoption of new standards and grades of wheat that include protein content criteria. The legislation that would enable this innovation is called the Canada Grain Act. It has been approved by the Canadian House of Commons and Senate and will become law when proclaimed by the Governor-General.

This turnabout in Canadian policy on wheat sales (for 40 years the country's wheat has been segregated and marketed solely on the basis of visual grading factors) is part of the aggressive new stance Canada is taking toward overseas grain markets. The Canada Grain Act is the second major attempt at revamping Canadian domestic and export grain policies in the winter of 1970-71; the first was a set of proposals, put before the Canada House of Commons in late 1970, called a new policy for Prairie grains (*Foreign Agriculture*, Dec. 14, 1970).

While the details of changes in wheat grades and standards that will be initiated under the new Act have not yet been announced, they could have a large effect on Canadian overseas sales of grain. Wheat is by far the most important of Canadian grains both in domestic output and exports, and Canada is second only to the United States as a wheat marketer. The past 3 years Canada averaged sales of 9 million tons annually.

Some of Canada's larger wheat markets are either shared with or dominated by the United States; and some of these same markets have buyers who often specify protein content of purchases. In the past Canada has had no method of guaranteeing protein content. The new standards and wheat grades are designed to put Canada in a better competitive position with the United States, which has had a system of marketing on protein specifications for hard wheats nearly half a century.

Other major wheat exporting countries that offer hard wheats on the basis of protein as well as visual grading are Australia and the Soviet Union. Argentina, the other quantity wheat exporter of the world, does not yet bin or market hard wheats by protein.

Considerable differences exist among the marketing methods of different countries that utilize protein content in sales.

Australia revised its wheat standards and grades completely in 1967 and now specifies protein content for Fair Average Quality (FAQ), Hard, and Prime Hard groupings of wheat marketed and identified by regions within States. The USSR sells its premium quality Hard Red Spring wheat with a minimum protein specification to compete with U.S., Canadian, and Australian hard wheats in European markets. In both countries protein content is used to identify the grade at a single stated level and is announced annually to correspond with changes in crops.

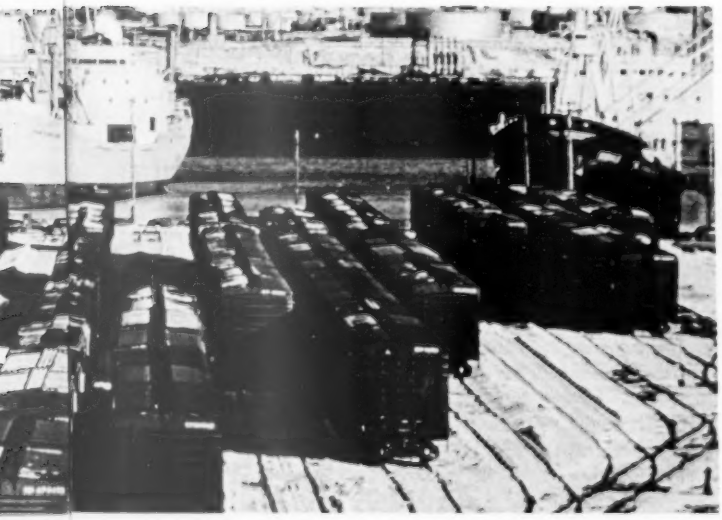
In the United States protein content is not used to identify a grade or class of wheat but is utilized as an additional purchase specification agreed to between buyer and seller. Grain markets in Chicago, Minneapolis, and Kansas City trade in wheats with many different protein contents, and prices fluctuate as freely for protein premiums as for the basic grade on the basis of supply and demand. The U.S. wheat market has reached a higher degree of specialization in trading in wheats with different protein contents than the markets of any other country.

The new Canada Grain Act could be the first step for Canada to introduce similar sophistication into the marketing of wheat. But, according to opinions expressed during hearings before the Canadian House of Commons Agriculture Committee on the new legislation, some time would go by before Canadian wheat could actually be marketed according to the new grades and standards. Several factors will contribute to the time lag.

For example, the Canada Grain Act creates a Canadian Grain Commission that will replace the previous Board of Grain Commissioners. The Commission, like the Board, will be located in Winnipeg, Manitoba. Implementing and administering the new Act will be the Commission's responsibility and will require some reorganization, especially for the purpose of establishing and enforcing the new wheat standards.

The new Commission is directed by the Act to set up two grains standards committees—a Western Standards Com-

(Continued on page 16)



Above, combine picks up cut wheat from field and threshes it near Balcarres, Saskatchewan, while dumping separated wheat kernels into truck. Left, domestic wheat in boxcars waiting to be loaded onto a ship in the harbor at Halifax, Nova Scotia. (Photo: National Film Board.)

Cutting sugarcane in the Philippines.

Economic Problems Hit Philippine Farm Trade

Although overall farm production in the Philippines continues to increase, the country has experienced serious economic difficulties since late 1969. Measures taken to deal with this crisis have brought about swift changes in agricultural trade patterns — changes which are having an impact on U.S. trade with the Philippines.

The crisis began with a reversal in the balance of trade, primarily because of shortfalls in exports of copra and sugar. Now, in addition, tight domestic money policies have slowed overall economic growth, and mounting inflation threatens to nullify much of the corrective action taken.

Responding to International Monetary Fund (IMF) guidance, the Philippine Government freed the peso exchange rate in February 1970, clamped strict controls on external and domestic credit, banned imports of some nonessential goods, and cut Government spending. These firm measures facilitated a stretch-out of heavy short-term debt obligations, increased international reserves, and greatly improved the trade balance. Preliminary Philippine data indicate the trade deficit declined from $260 million in 1969 to only $25 million in 1970, thanks to a 20-percent increase in exports (from $841 million in 1969 to $1,015 million in 1970) and a 6-percent decline in imports (from $1,105 million to $1,040 million).

Under terms of the standby agreement with the IMF, which went into effect on February 21, 1970, Philippine importers must either purchase on a cash basis or through private credits of more than 5 years' duration. Further, a cash margin deposit of 50 percent is required for cash imports, thus reducing the ability of most firms to bring in raw materials. Imports of certain nonessential agricultural products are completely banned and imports of others are restricted under various Central Bank regulations promulgated during the year.

Imports of coffee and coffee products, fresh onions, garlic, cabbage, potatoes, rice, and corn are prohibited by law. However, any of these commodities can be brought in when the Philippine Government determines there is a shortage in domestic output.

These restrictions, together with the higher cost of imports following devaluation, brought about a decline in Philippine agricultural imports from $150 million in 1969 to $140 million in 1970 and a rise in exports from $342 million to more than $400 million. The export rise is largely a result of increased production of sugar and coconut products.

According to U.S. export data, shipments of U.S agricultural products to the Philippines during the first 10 months of calendar 1970 were valued at $66.1 million compared with $66.6 million during the same period a year earlier. Total U.S. agricultural exports to the Philippines in 1970 probably reached the previous year's level of $78 million, mainly because of increased cotton exports of about $6 million in the first 10 months.

But Philippine purchases of numerous other U.S. agricultural commodities were limited by the import restrictions. With several major fresh fruits banned, U.S. fruit and vegetable exports to the Philippines at the end of October 1970 were running $2.3 million behind the previous year's level. Other commodities which showed significant declines were meats, baby foods, and canned soups.

During the first 10 months of 1970, the United States was able to maintain shipments of wheat, the major U.S. agricultural export, at $24 million compared with $24.6 million during the same period in 1969, despite a declining market. This was done through the Commodity Credit Corporation (CCC) credit program.

For most of the year, all wheat imported by the Philippines was purchased from the United States under this program, even though agreements had been signed by the Philippine Association of Flour Millers with Canadian and Australian suppliers. No wheat entered under these agreements in 1970, but the Philippines is expected to purchase a minimum of 150,000 tons of wheat from Canada in calendar 1971. The United States should maintain about two-thirds of the total market this year, and about 80-85 percent of

the combined wheat and flour market.

The outlook for much of 1971 is for continued depressed agricultural imports by the Philippines. However, CCC credit and P.L. 480 will help the United States maintain its exports of wheat, cotton, and tobacco at the 1970 level, keeping U.S. agricultural exports near the $80-million level.

Agricultural trade between the United States and the Philippines is facilitated by the Laurel-Langley Agreement, the only long-term bilateral trade agreement of any significance to Philippine farm trade. This agreement, signed in 1955, established the only special trade concessions granted by the Philippines to a trading partner. Under the agreement, the Philippine preferential duty rates in the United States were decreased from 40 to 20 percent for the period January 1, 1971, to December 31, 1973. Furthermore there were reductions in quotas for Philippine coconut oil, cigars, unmanufactured tobacco, and buttons and shells. On the other hand, the Philippine duty preference on U.S. articles, which has been 10 percent since January 1965, will remain the same until December 1973, when it will be cut to zero.

The possibility of special concessions by the Philippines to other countries appears remote at this time because of the pressing need to reduce imports from all sources. However, there is growing interest in the Philippines in relaxing trade restrictions against East European nations and establishing diplomatic ties with the USSR. Nonetheless, this is unlikely to lead to special trade concessions this year. (An agreement signed by the Philippine Chamber of Commerce with a Bulgarian Government trading agency for a sale of $5 million worth of agricultural products has not been implemented.)

To facilitate increased Philippine exports, the country passed a new export tax law, effective May 1, 1970, replacing the 80-percent foreign exchange surrender requirement on earnings from exports of copra, sugar, logs, and copper ore. Under the old system, which had been in effect since February 1970, copra was sold mainly at the predevaluation rate rather than at the floating, lower exchange rates, while coconut products were sold at the more attractive, new rates. The old system required exporters to surrender to the Central Bank 80 percent of dollar proceeds from exports of these products in exchange for local currency computed at 3.90 pesos to US$1, and 20 percent at the floating rate of 6.10 pesos to US$1.

Under the new law, the rate of tax collected on exports of copra, sugar, and logs is 10 percent of gross proceeds; on exports of molasses, coconut oil, desiccated coconut, copra cake and meal, abaca fiber, leaf tobacco, and canned pineapple, it is 8 percent. The tax will be reduced 2 percent on July 1 of each year from 1971 through 1973 and will be completely eliminated on July 1, 1974.

Despite the economic problems afflicting the country, Philippine agriculture in 1970 was marked by higher production of most major crops than in 1969, thanks to better-than-average weather, improved varieties and cultural practices, and availability of increased resources for agriculture. Rainfall was plentiful and all crops had recovered from the drought of 1968 and 1969.

The major detrimental influence on crops was the series of typhoons which struck the country during October and November 1970, substantially damaging rice, coconut, abaca, banana, and vegetable crops. Injury to abaca and bananas was extremely heavy. The typhoons dampened the outlook for rice production in 1970-71 to about the 1969-70 level and destroyed the expected 10-percent increase in coconut production for 1971.

For the major food crops—rice, corn, cassava—production remained near the record highs of 1969. Output of sugar and coconuts, the major export crops, increased 20 percent and 6 percent respectively in 1970 and accounted for a significant part of the improvement in export earnings during 1970.

One of the most prominent reasons for the rise in farm production was a continued increase in inputs to the agricultural sector. Availability of additional resources, for example, was responsible for an estimated 7-percent increase in fertilizer use during 1970, despite considerably higher prices resulting from adoption of the floating peso exchange rate. Increased resources are also bringing more area under irrigation. The National Irrigation Administration estimates irrigated rice area at about 2.3 million acres.

Stocks at the end of 1970 were adequate for most commodities, with the exception of corn. There were enough rice stocks to make imports unnecessary, but not enough for export.

Despite heavy flooding

Malaysian Palm Oil Production Rises

Production and export availabilities of palm oil—Malaysia's most important export crop—are expected to increase in 1971, despite flooding which occurred in January.

Heavy monsoon rains, coupled with unusually high tides on both the east and west coasts of West Malaysia, caused the worst Malaysian floods of recent times during the first week of 1971. Eight of the 11 States on the Malaysian mainland were ravaged by the high waters which brought transportation and communications to a standstill in some areas.

Undoubtedy, the storm has had some adverse effect on Malaysia's agricultural output, although it is still difficult to assess the exact extent of the damage. Newly planted tree crops are likely to be damaged if they remained submerged for 48 hours or more, and some nurseries could be washed out.

Preliminary estimates indicate that about 10,000 long tons of milled rice, or about 5 per cent of the total West Malaysian stocks held before the floods, were damaged. Bona fide rice importers who are able to substantiate the loss of their stocks during the floods will be allowed to import rice without the usual restriction of purchasing Government-pooled rice at a ratio of 1.5 tons for every ton imported.

Supplies of other essential food items were damaged only slightly by the flooding. About 5,000 tons of sugar and another 5,000 tons of wheat flour, mainly held in shops, were affected.

Flood control programs for Malaysia are expected to become all the more essential in the future. Tree crop development is expanding rapidly on the east coast, and the havoc caused by the northeast monsoon—which typically occurs in December and January—could increase substantially during the coming years.

Cotton's Growing Importance To Colombian Agriculture

By HORACE G. PORTER
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Foreign Agricultural Service

Despite a slight cutback in acreage this year, cotton is assuming an increasingly important place in Colombian agriculture.

Although Colombian farmers have grown cotton for centuries, it has only been in the last 15 years that production has grown significantly and cotton become an important export crop. Production first reached 100,000 bales a year in 1954, then grew steadily to 600,000 bales in 1968. Exports, which were nonexistent as recently as 1958, have been averaging 300,000 bales in the past few years, and mill consumption is presently 300,000 bales—more than double the 1954 level. Principal markets are the United Kingdom and West Germany.

Colombia has several cotton-producing areas. In the Interior or Central producing zone, cotton is planted from January to March and harvested from June to September. In the Coastal Zone (Coast-Meta), cotton is planted from late July to September and harvested from December to April. In the latest full season (1969-70) the Coastal Zone accounted for about 73 percent of the total area and 69 percent of total production of Colombian cotton.

The number of Colombian farmers producing cotton has also increased in recent years, reaching 10,926 in the 1969-70 crop year. Although most of the farmers have a comparatively small acreage, the major part of the cotton crop is raised on farms with at least 125 acres planted to cotton. Thus, today the typical commercial cotton farmer in Colombia has sufficient interest in cotton to give the crop serious attention. He is a businessman who thinks in terms of costs, returns, profits, and the strengths and weaknesses of alternative lines of production.

Colombian cotton—an important export crop—shown after weighing left, and ready for export, below.

In their most recent crop, farmers in the Coastal Zone, and to a lesser extent in the Interior Zone, cut back acreage planted to cotton.

Farmers were displeased with the results of their operations the previous year when acreage in the north was significantly expanded. Costs were higher and yields—largely because of dry weather—dropped below the level of each of the 3 previous years. Consequently net income per unit of land was lower.

In late 1970 the Federation of Cotton Producers and Diagonal, the cotton-buying organization for the Colombian textile industry, were trying to work out an agreement for an increase in cotton prices. Both organizations are aware that world prices for cotton have shown a substantial gain since the May 1970 adjustment in Colombian cotton prices.

The smaller crop expected in 1970-71 will amply provide for domestic needs; however, the export availability this crop year will probably be some 170,000 bales—down sharply from the 325,000 bales exported last season.

COLOMBIA: EXPORTS OF COTTON
[Bales of 480 pounds net]

Country of destination	Year beginning Aug. 1		
	Average 1960-64	1968	1969 [1]
	1,000 bales	*1,000 bales*	*1,000 bales*
Belgium	1	4	1
Bulgaria	0	5	([2])
Canada	4	0	0
Chile	([2])	5	2
Ecuador	3	7	0
France	4	13	10
Germany, West	21	50	42
Hungary	0	10	3
Ireland	0	2	0
Italy	4	1	0
Japan	2	3	2
Netherlands	11	23	4
Portugal	0	17	5
Spain	0	20	([2])
Switzerland	4	2	0
United Kingdom	31	112	75
Venezuela	0	8	1
Other countries	12	13	95
Total	97	295	240

[1] August-May; estimate of August-July total is 325. [2] Less than 500 bales.

Source: U.S. agricultural attachés and other representatives abroad.

U.S. Exporters Win "E Star" And "E" Award

Seven agricultural export firms have received the "E Star" Award since it was created by President Nixon in 1969. In addition, a number of U.S. companies have received the older "E" Award for their work in helping to expand U.S. farm exports.

In 1962 President Kennedy revived the "E" flag that once flew over plants making notable records in war production, shifting the award to "factories contributing significantly to the goals of international peace and prosperity." Since that time "E" Awards have been made to U.S. export firms for substantially increasing exports over a sustained period; breakthroughs in highly competitive markets; introducing new products to U.S. export trade, and for demonstrating novel and successful solutions to such problems of export trade as financing, transportation, and marketing.

In 1969 President Nixon announced the creation of the "E Star" Award to recognize the additional export achievements of U.S. firms that previously had received the Presidential "E" Award for excellence in exporting. To earn an "E Star" a company must exceed prior achievements in exports or export service during the preceding 3 years, not overlapping the period recognized by the "E" Award.

The "E Star" Award was presented for the first time in 1970. Among the firms honored for their work in increasing agricultural exports were The Spokane Seed Company, Rockingham Poultry Marketing Cooperative, Inc., Hawaiian Agronomics Co., The Arkansas Grain Corp., Sunkist Growers, Inc., The California Almond Growers Exchange, and Seald-Sweet Sales, Inc.

The Spokane Seed Company of Spokane, Washington, a firm engaged in growing, processing, and marketing dry peas and lentils, received the "E Star" for holding its sales volume in its original export markets in Europe, South America, and the Caribbean since it received the "E" Award 6 years ago and at the same time greatly increasing shipments to newly developed markets in other areas.

The Rockingham Poultry Marketing Cooperative, Inc., of Broadway, Virginia, a packer and marketing cooperative of frozen and canned poultry, received the award for intensifying its export expansion efforts since receiving the "E" Award 8 years ago. In 1969 Rockingham's exports amounted to more than 13 percent of total sales—a significant increase from less than 1 percent in 1959. Rockingham has joined with U.S. Government agencies in developing sales to almost 40 countries and also participates in international food shows. The company's packaging program provides for labeling in native languages and weight systems.

Hawaiian Agronomics Company, of Honolulu, Hawaii, a managerial and technical consultant for the cane sugar and general agricultural industries, also received the "E Star" Award in 1970. The firm operates development projects for sugarcane and general agriculture from offices in Latin America, the Middle East, and the Far East. From 1967 to 1969, export sales of U.S. equipment attributed to the firm's international activities almost doubled.

The Arkansas Grain Corporation of Stuttgart, Arkansas, a farm cooperative, received the "E Star" for substantially increasing exports of soybean meal, raw soybeans, and soybean oil since it received an "E" Award in 1963.

Two California-based companies also received "E Stars"—the California Almond Growers Exchange for increasing exports of almonds and Sunkist Growers, Inc., for expanding citrus exports.

Another citrus exporter, Seald-Sweet Sales, Inc., of Tampa, Florida, recently received an "E Star." Since the firm was awarded an "E" in 1962, its strong promotional work, including participation in several international trade fairs, has paid off with new markets for Florida oranges, grapefruit, and citrus juices, and expanded shipments to established markets.

Several U.S. companies also received "E" Awards in 1970 and 1971 for helping to increase U.S. agricultural exports. These include the Oliver Manufacturing Company, Inc., Welp's Breeding Farm, and Tropicana Sales. The Oliver Manufacturing Company, Inc., of Rocky Ford, Colorado, manufacturer of the Oliver gravity separator seed-grain-cleaning machine, received the award on January 20, 1971.

Tropicana Sales received the "E" for expanding U.S. citrus exports.

Welp's Breeding Farm of Bancroft, Iowa, developer and producer of poultry breeding stock, received the "E" award on February 5, 1971. Welp's, which inaugurated its export sales program in 1962, offers liberal credit terms to buyers and provides them with packaging and transportation services that result in high survival rates for day-old chick shipments. Welp's percentage of exports to total sales increased from 19 percent in 1966 to 39 percent in 1968.

Howard Baron, left, and John Lesley, fourth from left, of Seald-Sweet Sales, Inc., receive "E Star" Award from Florida Senator Edward Gurney (seated).

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After a decade of rapid expansion in poultry numbers and the establishment of commercial broiler and egg operations, Colombia's poultry industry output is now increasing at about the rate of population growth (approximately 4 percent a year). There are several reasons for this deceleration.

Perhaps the most important is continued limited buying power by much of the population coupled with low beef prices. The present per capita consumption of poultry products is estimated at less than 2.5 pounds of meat a year and between 5 and 7 dozen eggs. This is not likely to increase sharply as long as prices are comparable to those of recent years.

Another factor is that many smaller poultry producers are finding operations uneconomic because of increased costs of feeds, equipment, poultry medicines, other necessary inputs and market fluctuations. Many poultrymen are being forced out of business.

A study by a marketing group (PIMUR) in one of Colombia's chief poultry areas illustrates the difficulties of the small poultry operator. According to PIMUR, poultrymen with between 300 and 5,600 laying hens averaged net losses; those with between 5,601 and 19,000 layers made average profits of about 8 percent; and those with 19,001 and more adult hens averaged 55 percent return on their investments. Size of broiler operations and profitability of operations had similar relationships.

But large-scale operations also face considerable challenges, one of which is swift changes in market prices because of temporary oversupply or undersupply. Neither producers nor distributors have much, if any, storage for broilers or eggs, so that output cannot be saved in times of glut for periods of scarcity. An example of fluctuation of broiler prices was the leap to around $0.80 per pound in December of 1969 (December is a month of heavy demand) followed by a tumble to $0.35 per pound in April 1970. Egg prices are sometimes affected by large-scale shipments of eggs from one area of the country to another so that local prices rise and fall dramatically.

But in spite of production and marketing difficulties, Colombia's poultry population (not including turkeys) had grown to an estimated 34 million birds in 1970. Two-thirds were thought to be broilers and the remainder laying hens.

Modern hen house (Photo: Inter-American Bank).

Production was calculated at 1.6 billion eggs and 16,284 metric tons of broiler meat for a total value of approximately $58.8 million.

Poultry is especially concentrated in areas near large city markets, such as Bogotá and Medellín. Cundinamarca, the Department in which Bogotá is located, has more birds than any other. Boyacá, near Bogotá, and Antioquia, near both Bogotá and Medellín, also have large poultry populations. Valle del Cauca, somewhat more distant from the Bogotá metropolitan area, concentrates on egg production and supplies more than any other Department in Colombia. Cundinamarca, on the other hand, has a preponderance of broilers raised for Bogotá's and Medellín's poultry meat markets.

A study in Valle del Cauca in 1969 revealed that the Department had 102 farms with more than 10,000 laying hens each and that these farms had nearly a quarter of the Department's hen population. Average layer population per farm was 8,035. The average growing period for a chick before it reached laying maturity was 22 weeks. Layers averaged 13 months of egg production with 220 eggs per hen per year, and the mortality rate was 14 percent. Old hens were sold to consommé and other food processors or were retailed as poultry meat.

Chicks are purchased from INCUBAR, the hatchers' association, and are mostly U.S. strains (a few are Canadian). Hatcheries in turn import the parent stock of their chicks mostly from

ombia's Poultry pansion ilizes to tle Climb

Egg-quality test (Photo: Rockefeller Foundation).

the United States and some from Canada.' (Colombia now has a minor export trade in day-old chicks to neighboring countries such as Venezuela and Peru. Exports occur when these two countries have temporary shortages of chicks for farm distribution.)

Broiler stock is also mostly American strains and is purchased by farmers in the form of day-old chicks from INCUBAR. Studies in Valle del Cauca and Antioquia have indicated that the average Colombian broiler farm has about 7,000 birds, that about 3 pounds of feed are consumed for each pound of weight gain by broilers, and that birds are ready for market at approximately 3 pounds, 9 to 10 weeks after hatching. All the biggest producers and distributors of broilers are located near Bogotá, and broilers are shipped from there to other cities, such as Medellín.

Consumers buy poultry products, both broiler meat and eggs, at supermarkets, special poultry stores, small grocery stores, and open-air markets in plazas. Eggs are usually sold within 8 days of being laid because of the scarcity and expense of refrigeration. Only a few large egg farms maintain cold rooms. Eggs on the retail market, however, are usually fresh and of good quality. Broilers are usually sold already processed to housewives.

Both the broiler and the egg industries show a tendency for individual operations to become larger and to extend business interests to hatching their own chicks, marketing their own products, and producing their own feeds. This tendency toward vertical integration is more pronounced among broiler than egg producers.

The development of modern poultry operations and of commercial feed mills has always gone hand in hand, however, in Colombia. In 1970 about 80 percent of all mixed feeds were intended for chickens. At the same time, one of the problems affecting the poultry industry at present in Colombia is the rising price of feed raw materials, nearly all of which are raised domestically, in contrast to the stable price for poultry products. This hits many poultrymen hard as feed is about 55 percent of total cost in raising broilers and over 75 percent of total cost in egg production.

On the other hand, commercial feed mills provide a number of technical services (such as veterinary assistance and marketing intelligence) to poultry raisers. They are also a main source of short-term credit to poultrymen and loan more money to the poultry industry than either the national agricultural bank or all private banks.

Other sources of assistance for poultrymen are INCUBAR (the hatchery association), drug companies, and Government agencies. In addition, Colombian poultrymen have organizations to help themselves, such as AVIVALLE for egg marketing, AVINOVA also for egg marketing, and FENAVES—a poultrymen's union.

Government assistance to Colombia's poultry industry is limited to chemical analyses of commercial feeds and some control of feed prices.

In the near future, output of poultry products in Colombia is expected to increase at about the same rate as population growth so that per capita consumption will be unchanged. Nor are producing methods expected to undergo much transformation in spite of a trend toward vertical integration.

Imports of poultry meat are expected to continue very small as they can only be made under special arrangement, and the trend in recent years has been a decrease in volume. Exports of day-old chicks will continue on an intermittent demand basis to neighboring countries. These exports could increase to the Caribbean area (along with sales of poultry meat) if efficient low-cost transportation were organized.

—Based on a dispatch by
W. GARTH THORBURN
U.S. Agricultural Attaché, Bogotá

1971 Overseas Executive Food Buyers Center Planned For May in Houston

USDA recently announced that in cooperation with the Super Market Institute (SMI), it will sponsor the third Overseas Executive Food Buyers Center planned for Houston, Texas, May 2-5, 1971.

The Center will be organized as part of the 34th annual SMI Convention and Exposition at the Astrohall in Houston. It will give overseas food executives the opportunity to meet and discuss business with export managers of the American food industry; to attend SMI workshops on the latest developments in food, technology, distribution and merchandising; and to see and sample the newest U.S. food products.

Over 300 overseas food buyers from 29 countries attended the 1970 Center at the SMI Convention in Houston. Based on the enthusiasm generated last year, SMI expects more than 100 additional visitors this year.

The theme for the Center this year will be "New Foods, New Trade Contacts and New Ideas—For Food Trade Profits." The 1971 Center will include:

- A comfortable trade lounge for the exclusive use of overseas buyers and U.S. food trade representatives where they can meet, discuss products, and arrange sales.
- For the first time, a new computerized Trade Referral System for U.S. food products for use by overseas food buyers. This system contains names and addresses of U.S. food suppliers according to products, as provided by the State Departments of Agriculture, of America's leading food-producing States.
- Simultaneous translations in five languages—French, German, Japanese, Portuguese, and Spanish—of SMI general business sessions and one workshop each day. Interpreter Service also will be provided to assist overseas buyers.
- Opportunity to visit leading supermarkets and food distribution centers in the Houston area.

The Center is part of the program to expand and develop foreign markets for U.S. foods and other agricultural products. The Super Market Institute is the world's largest food distribution trade association. It has retail membership representing over 20,000 food stores and wholesale members serving over 100,000 retail stores, as well as overseas members from over 20 countries.

Headquarters for the Overseas Executive Food Buyers Center will be at Astrohall in Houston where USDA personnel and representatives from leading food-producing States and several U.S. commodity trade groups will be present to assist overseas buyers.

Additional information may be obtained by writing to: Export Trade Services Division, Foreign Agricultural Service, USDA, Washington, D.C. 20250.

Argentine Beef Exports

The Anglo Packing Plant, one of Argentina's largest beef exporters, recently announced the suspension of all export operations and the dismissal of 500 employees. One plant official indicated the plant would continue processing for the domestic market, but the resumption of export activities would depend on the course of cattle prices which continue to be very high.

Coupled with the earlier closing of the Swift Packing Plant, Anglo's cessation of export activities removes two of Argentina's major beef exporters from the world market. Together these two plants have accounted for around 20 percent of Argentina's total beef exports in recent years.

New International Wheat Marketing Agreement Encourages Free Trading With Market Stability

The new International Wheat Agreement, concluded on February 20 in Geneva, is described by the U.S. Department of Agriculture as one that will help growers compete and will encourage stability through a regular review of trading conditions. It also provides a framework for subsequent price negotiations when these may be desirable and in the interest of the United States. The 3-year Agreement replaces the International Grains Arrangement that expires June 30.

The new Agreement will encourage market stability while permitting U.S. growers to compete freely in international trade. At the same time, it provides for regular review of trading conditions.

The International Wheat Agreement contains two major parts: a Wheat Trade Convention, which provides for cooperation and international consultation on supply and prices; and a Food Aid Convention in which the United States agrees to provide 1,890,000 metric tons of wheat to needy countries during the 3 years of the Agreement—the same level of U.S. contributions as under the 1967 Arrangement.

The new Wheat Trade Convention does not contain minimum and maximum prices nor other price provisions since it was not possible to develop mutually acceptable approaches on these matters. However, language is included in the Agreement for reconsideration of price provisions at a later time.

The Wheat Trade Convention maintains the framework for cooperation and consultation that have been important elements of all previous agreements. The Convention establishes a new Advisory Subcommittee on Market Conditions to keep the world wheat market under constant review and inform the Executive Committee of the Council of any situation of instability which appears. This is important for price stability and to insure that exporters maintain supplies adequate to supply importer needs.

This is a departure from the rigid provisions of the 1967 Arrangement which proved unworkable and contributed to market instability in 1968 and 1969. However, 1969 consultations within the framework of the present Arrangement did prove useful in restoring market stability.

The new International Wheat Agreement will, subject to ratification by the U.S. Senate, be effective July 1, 1971. The negotiations began on January 18 and included representatives of 53 countries. Membership in the Food Aid Convention is identical to that of the present Convention except for three countries which declined to participate further: the United Kingdom, Norway, and Denmark. Membership in the Wheat Trade Convention is open to all members of the United Nations or its specialized agencies and to all former members of the Convention of the Arrangement now in effect.

CROPS AND MARKETS

Grains, Feeds, Pulses, and Seeds

Weekly Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Feb. 24	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 2 Manitoba	1.95	−3	2.01
USSR SKS-14	1.98	−5	(1)
Australian FAQ	1.87	−1	1.73
U.S. No. 2 Dark Northern Spring:			
14 percent	2.03	−4	1.88
15 percent	2.09	0	1.97
U.S. No. 2 Hard Winter:			
13.5 percent	1.98	0	1.78
USSR-441 Yellow Winter	1.96	0	(1)
Argentine	(1)	(1)	1.76
U.S. No. 2 Soft Red Winter	1.88	−1	1.63
Feedgrains:			
U.S. No. 3 Yellow corn	1.77	−3	1.57
Argentine Plate corn	1.78	−7	1.54
U.S. No. 2 sorghum	1.59	−4	1.54
Argentine-Granifero sorghum	1.58	−3	1.34
U.S. No. 3 Feed barley	1.49	−4	1.13
Soybeans:			
U.S. No. 2 Yellow	3.39	−2	3.03
EC import levies:			
Wheat	1.44	+2	1.68
Corn [2]	.75	+4	.99
Sorghum [2]	.83	+8	1.00

[1] Not quoted. [2] Until Aug. 1, 1972, Italian levies are 19 cents a bu. under those of other EC countries.
Note: Basis—30- to 60-day delivery.

Livestock and Meat Products

1970 Livestock and Meat Trade a Record

The value of U.S. trade in livestock, meat, and meat products reached a new high in 1970. Imports valued at $1.3 billion and exports valued at $0.6 billion exceeded their previous 1969 highs by 12 percent. Principally responsible for the increase in U.S. trade were larger animal fat exports and greater boneless beef imports.

Of the animal fats, inedible tallow and lard are the most important U.S. exports. Inedible tallow exports in 1970 totaled 2.2 billion pounds and were valued at $197 million, compared with 1.9 billion pounds in 1969 valued at $138 million. Most of the 1970 increase was attributed to larger shipments to the European Community and Poland. Japan is the largest U.S. market for inedible tallow grease, but 1970 exports to that country, at 446 million pounds, reached a 7-year low.

U.S. lard exports continued their upward trend and at 366 million pounds were at their highest level since 1964. The United Kingdom is the largest market for lard; U.S. exports to this country totaled 259 million pounds.

Because of production recoveries in Canada and Japan, pork exports to these countries were considerably below their earlier levels. This was the principal reason why total pork exports of 61 million pounds were under half those in 1969.

During November and December U.S. live cattle exports to Canada, which had been averaging 800 head per month, increased sharply. During November alone, 14,017 head were exported to Canada, 1,039 of which were for breeding purposes. The December increase was even steeper—to 44,801

U.S. EXPORTS OF SELECTED LIVESTOCK PRODUCTS

Commodity	December		January-December	
	1969	1970	1969	1970
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Animal fats:				
Lard	13,156	41,782	261,466	365,923
Tallow and greases:				
Inedible	162,716	223,169	1,894,725	2,244,680
Edible	1,048	599	13,384	20,548
Meats:				
Beef and veal	2,022	3,129	25,699	29,270
Pork	4,954	4,803	145,141	61,186
Goat, lamb, and mutton	74	89	1,432	1,074
Sausages	267	393	4,741	4,135
Meat specialties	185	336	3,697	3,883
Other canned	474	510	9,334	8,096
Total red meats [1]	7,972	9,258	190,045	107,649
Variety meats	24,784	19,449	239,894	239,538
Sausage casings (animal origin)	1,070	1,259	11,865	12,329
Animal hair, including mohair	698	1,318	17,820	13,934
Hides and skins:				
Cattle parts	601	1,536	29,698	14,389
	1,000 pieces	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Cattle	1,196	1,258	14,801	15,225
Calf	55	143	1,240	1,075
Kip	21	34	414	241
Sheep and lamb	252	302	3,126	3,822
Horse	12	15	70	197
Goat and kid	34	53	348	694
Livestock:	*Number*	*Number*	*Number*	*Number*
Cattle and calves	4,482	48,611	39,186	88,037
Sheep, lambs, and goats	1,704	12,111	106,237	132,856
Hogs	1,360	3,408	18,620	25,654
Horses, asses, mules, and burros	863	712	11,511	40,654

[1] May not add due to rounding. Bureau of the Census.

head, 2,355 of which were for breeding purposes.

On the import side, U.S. purchases of boneless beef and canned hams and shoulders were at record highs in 1970. Boneless beef imports, at 1,083 million pounds, were up 10 percent from 1969, with most of the increase due to greater entries from Australia, New Zealand, Canada, and Mexico.

U.S. IMPORTS OF SELECTED LIVESTOCK PRODUCTS

Commodity	December		January-December	
	1969	1970	1969	1970
Red meats:				
Beef and veal:				
Fresh, chilled, or frozen:	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Bone-in beef	2,514	2,603	19,595	24,318
Boneless beef	61,252	82,827	984,592	1,083,160
Cuts (prepared)	604	5,262	2,375	25,860
Veal	3,063	4,233	25,732	23,460
Canned beef:				
Corned	7,782	3,448	94,661	88,489
Other, including sausage	1,754	2,269	22,953	31,005
Prepared and preserved	6,204	3,588	66,696	74,103
Total beef and veal[1]	83,177	104,231	1,216,600	1,350,384
Pork:				
Fresh, chilled, and frozen	2,965	3,152	42,939	55,555
Canned:				
Hams and shoulders	19,941	21,886	232,969	251,605
Other	3,094	2,241	29,825	31,738
Cured:				
Hams and shoulders	140	73	1,988	1,374
Other	279	286	3,859	3,739
Sausage	590	314	3,914	3,633
Total pork[1]	27,007	27,952	315,497	347,645
Mutton and goat	2,562	161	54,221	39,476
Lamb	2,534	4,252	43,865	43,493
Other sausage	970	890	8,778	10,498
Other meats	1,951	1,709	14,019	18,413
Total red meats[1]	118,204	139,195	1,652,975	1,809,909
Variety meats	876	1,062	5,641	9,846
Edible and inedible tallow and grease	506	954	12,662	8,396
Meat extract	83	104	891	1,181
Wool (clean basis):				
Dutiable	9,194	4,540	93,524	79,810
Duty-free	7,193	6,384	95,665	73,322
Total wool[1]	16,390	10,922	189,189	153,134
Animal hair	257	141	5,736	2,169
Hides and skins:				
Cattle parts	32	331	461	2,114
Sheep skins, pickled and split	1,679	331	9,074	10,991
	1,000 pieces	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Cattle	11	42	276	387
Calf and kip	57	11	692	543
Buffalo	16	9	420	228
Sheep and lamb	619	934	20,715	18,707
Goat and kid	253	45	5,066	3,027
Horse	24	23	206	183
Pig	76	17	723	619
Livestock:	*Number*	*Number*	*Number*	*Number*
Cattle[2]	237,882	214,303	1,041,909	1,167,662
Sheep	97	830	22,805	11,716
Hogs	1,822	3,423	13,430	67,832
Horses, asses, mules and burros	369	311	3,546	3,653

[1] May not add due to rounding. [2] Includes cattle for breeding. Bureau of the Census.

Imports of canned hams and shoulders totaled 252 million pounds, surpassing the previous 1969 high of 233 million pounds by about 8 percent. Most of the 1970 increase was due to greater entries from Denmark, totaling 104 million pounds compared with 93 million in 1969.

Live cattle imports, although not at a record high, were about 125,000 head greater than the 1 million head imported in 1969. Largely responsible for the increase was the importation of around 300,000 head of feeder cattle from Mexico in the first 5 months of 1970.

Imports of prepared beef cuts (TSUS No. 107.6020) totaled 26 million pounds in 1970—up substantially from the nearly 2.5 million pounds imported in 1969. Of the total quantity imported in 1970, Honduras supplied 41 percent and Nicaragua 26 percent.

Mutton and goat meat imports totaled only 36 million pounds compared with 54 million imported in 1969. Mutton and goat meat imports began to fall off in August following the temporary U.S. delisting of Australian mutton plants because of sanitary requirements.

Wool imports in 1970 were down 19 percent from the 189 million pounds imported in 1969. Both dutiable and duty-free imports were below year-earlier levels.

Live hogs imported from Canada totaled almost 68,000 head in 1970, more than five times the 1969 level. Improved feedgrain supplies in Canada and favorable U.S. pork prices were responsible for this larger than normal movement of hogs from Canada to the United States. Most of the movement occurred between June and August.

Dairy and Poultry

U.K. Removes Controls From Exports of Eggs

On February 1, the United Kingdom lifted restrictions on export of eggs that had been in effect since 1957. This means that U.K. exporters of eggs can now sell in some 45 countries previously regarded as traditional markets of Denmark and the Netherlands. These two countries gained this concession from the United Kingdom in 1957 because of the heavy subsidies the United Kingdom was then paying egg producers. As a result of the removal of all support from the U.K. egg sector, the Dutch and Danish authorities have agreed to controls being removed. Export licenses to the 45 countries were normally granted only for eggs on which no subsidy had been paid.

Traditionally, the United Kingdom has not been a significant exporter of shell eggs. From January through June 1970, U.K. shell egg exports totaled 2.4 million dozen. In 1969 shipments amounted to 4.6 million dozen, half of which went to West Germany, and in 1968 to 3.9 million dozen. Nevertheless, the United Kingdom is still a net importer of shell eggs. These imports amounted to 9.5 million dozen during the first half of 1970 and some 17.5 million dozen for 1969.

Argentina Expands Broiler Industry

Poultry meat production in Argentina in 1970 is estimated at 160,000 metric tons, 20,000 tons greater than in 1969. Expanded broiler production capacity had been expected to produce a surplus of broilers by mid-1970. However, during

the last half of the year the reduced supply of beef caused a sharp increase in retail beef prices and resulted in a strong demand for broilers. Broiler prices in mid-January 1971 were 4.20 pesos per kilogram (47 cents a pound) compared to about 4 pesos (45 cents) a year ago. Comparable prices for best beef cuts averaged over 7 pesos a kilogram (80 cents a lb.), almost double the price in 1969. The broiler industry has felt the squeeze of increased feed costs as the world price for corn and meals has strengthened. The outlook is for a larger broiler production in 1971, with a possible reduction in domestic demand in 1972 if red meat supplies improve.

Egg production is estimated at 250 million dozen for 1970, about 5 million more than was produced in 1969. Production in 1971 is expected to remain near the 250-million-dozen level.

Spain Restricts Breeder Chick Imports

The Ministry of Agriculture of Spain on December 31, 1970, issued a circular instruction prohibiting the importation of one-day-old breeder chicks immunized against Marek's disease (neural lymphomatosis) or any other poultry disease. This restriction is due to the fact that the use of vaccines against Marek's or similar diseases in poultry so far has not been authorized in Spain.

The importation of one-day-old breeder chicks will not be authorized unless the shipments are accompanied by an official certificate stating that they have not been immunized against Marek's or any other poultry disease.

A statement to this effect should, therefore, be included on or attached to the related U.S. certificate (ANH 17-35) as applied to Spain. According to further information by the Ministry of Agriculture, this restriction is extended to cover breeding poultry in general.

In 1969, U.S. exports of baby chicks (breeding stock) to Spain totaled 444,800 valued at $1,056,000. Preliminary data for 1970 show comparable exports to Spain of 617,500 breeder chicks valued at $1,208,000.

U.K. Increases 1970-71 Butter Quota

On January 19, 1971, the United Kingdom's Department of Trade and Industry authorized the import of an additional 12,000 long tons of butter to arrive before the current quota year ends on March 31.

This is the second additional amount to be authorized during the current quota year.

The original butter quota amount for 1970-71, 425,000 tons, was 28,000 tons larger than the 1969-70 quota amount. Despite the increased amount originally awarded for 1970-71 there has been a deficiency, estimated at about 38,000 tons, in supplies arriving from overseas so far during the current year. A substantial shortfall has occurred in arrivals from Australia and New Zealand, while Denmark has experienced a sharp decline in milk production leading to a reduction in availability of butter for export.

The new 12,000-ton supplementary authorization is shared between the Netherlands (5,000 tons), Belgium and Finland (each 1,500), France (1,000), Rumania (700), Hungary (600), Poland (500), and Uruguay (200). In addition, quotas are being given for the first time to two countries not normally on the list of supplying countries—Canada (300 tons) and West Germany (700 tons).

Butter stocks on January 1, 1971, had fallen to the very low level of only 17,900 tons, which was barely adequate for 2 weeks' consumption. The stock figure on January 8 showed a modest recovery to 19,700 tons, but this was still 18,200 tons lower than at the same time in 1970.

Cotton

Cotton Production Down Sharply in Australia

Cotton production in Australia is not expected to exceed 100,000 bales (480 lb. net) in 1970-71 (August-July), compared with a relatively short crop of 122,000 bales a year earlier. Heavy rain and flooding, especially in the Namoi River valley area, during the first week of February caused extensive damage to the crop, now midway through the growing season. In recent years at least two-thirds of Australia's cotton has been produced in the State of New South Wales and primarily along the Namoi River.

Cotton production increased from 10,000 to 12,000 bales in the early 1960's to a record 150,000 bales in 1967-68. This record output was accomplished through increased acreage and yield stimulated by a system of bounty payments by the Government and by use of improved varieties and production practices. The Cotton Bounty Program was to expire in 1968, but was extended to 1971 and was to be phased downward during the extended period. During the last 3 years, however, area has remained steady at about 80,000 acres while production has been decreasing. Production totaled 122,000 bales in 1969-70, down from a near-record 147,000 bales the preceding year as a result of bad weather and insect damage.

Cotton producers in Australia are requesting the Government to establish a new program to replace the Cotton Bounty Program after it expires. The Bounty Program, initiated about 10 years ago when production equaled only 3 or 4 percent of mill requirements, was designed to increase cotton production only to a point of national self-sufficiency. In 1967-68, cotton production exceeded consumption by nearly 20,000 bales, nearly all of which was used to build stocks. Australia exported raw cotton on a significant scale for the first time in 1968, with about 9,500 bales to Japan. Total exports reached 19,000 bales in the year ending July 31, 1969, and about 66,000 bales in 1969-70. With the flood damage to the 1970-71 crop, it is doubtful that Australia will export cotton this season. Even during the 2 years when it did—1968-69 and 1969-70—its cotton imports totaled 11,000 and 20,000 bales respectively, mostly from Uganda. This was primarily longer staples not produced domestically.

Australian cotton imports are controlled by the quasi-official Cotton Advisory Committee, which assigns each cotton mill a quota of the domestic crop that must be purchased before the mill can import cotton free of duty. Cotton can be imported without compliance with the quota assignment, but payment of an import duty of 1.2 Australian cents (1.3 U.S. cents) per pound is required. Quotas are determined by relating each mill's requirements for upland cotton to total domestic production.

Total mill requirements in 1970-71 are expected to be about 135,000 bales, up slightly from the previous year. With stocks on August 1, 1970, estimated at 121,000 bales,

a little less than 1 year's supply, production could be as low as 100,000 bales and not create a critical shortage of cotton for the mills, assuming imports of longer staple cotton at about the 1969-70 level.

ACREAGE, YIELD, AND PRODUCTION OF COTTON IN AUSTRALIA

Year	Acres	Yield per acre	Production
	1,000 acres	*Pounds*	*1,000 bales*
1960-61	28	137	8
1961-62	33	116	8
1962-63	33	145	10
1963-64	45	171	16
1964-65	35	617	45
1965-66	47	929	91
1966-67	53	770	85
1967-68	73	986	150
1968-69	79	942	147
1969-70	78	751	122
1970-71	80	600	100

Sugar and Tropical Products

Ecuador Harvests Smaller Pyrethrum Crop

Ecuador's 1970 pyrethrum crop totaled only 2.9 million pounds (dry flower basis), down 24 percent from the 1969 production of 3.8 million pounds. Harvested acreage in 1970 fell sharply to approximately 12,350 acres, compared with 16,000 acres in the previous year. Production in 1971, however, is expected to be larger as a result of higher grower prices, which should promote harvesting and expansion in new plantings.

Exports of pyrethrum extract, flowers, and waste in 1970 earned $1.27 million, down somewhat from the 1969 exports valued at $1.47 million.

Sugar Production Down in Italy

The Italian sugarbeet area harvested during 1970 was 275,000 hectares (679,525 acres), a decline of 6 percent from the previous year. Sugar output, at 1,202,000 metric tons, was about 7 percent below the 1969 level. Unfavorable weather conditions adversely influenced yield of sugar from beets. Domestic consumption of sugar is currently estimated at 1.4 million metric tons, up slightly from the level of the preceding year. Most of the increase was used in the food industry, especially in cakes, marmalades, jellies, fruit juices, and sweetened drinks.

India's Sugar Surplus Increases

India is experiencing a stock accumulation of centrifugal sugar at hard-to-manage levels. At the start of this sugar season, October 1, 1970, there was a record carryover of 2 million metric tons. The production of mill sugar in 1970-71 is forecast at over 4 million tons and total supply will exceed 6 million tons. Domestic consumption is not expected to exceed 3.5 million tons. Sugar exports during calendar 1970 were about 329,000 tons compared with an average of about 100,000 tons in each of the last 2 calendar years. The Indian Government and sugar industry are actively looking for export markets, both within quotas set by the International Sugar Agreement and in countries where their exports would not be subject to quota.

Pakistan Considers New Sugar Mill

A six-man team from the Republic of China visited the Thatta-Hyderabad region of Sind Province of Pakistan at the end of 1970 to study possibilities for establishing a new sugar mill. Consideration is being given to having the mill in the public sector. The Province now has six centrifugal sugar mills, with two more under construction. Producers of refined sugar continued to be burdened by large stocks, due to local buyer resistance at internal price levels and lack of established market channels. Sugar production in Pakistan has doubled in the past 5 years and now amounts to about 600,000 short tons per year.

Malaysia To Step Up Sugar Production

Four companies for growing and processing sugarcane into sugar, with plantations aggregating 120,000 acres, have been formed in West Malaysia. Two of these companies are expected to commence initial production of raw sugar in a short time.

There are presently two sugar refineries in operation in West Malaysia. The combined production capacity is sufficient for the annual domestic sugar requirements of some 240,000 long tons in Mainland Malaysia. This amount of sugar, and even more in some recent years, has been imported.

ISO Increases Sugar Quotas

The International Sugar Organization has increased quotas under the International Sugar Agreement to 110 percent of the basic tonnage. This action was taken on February 4 because the prevailing price of sugar on the world market had exceeded 4.50 cents for a 17-day marketing period.

The 10-percent increase amounts to 735,000 metric tons. However, Poland has declared a shortfall of 150,000 tons, and several other countries may not be able to ship all of their entitlements. The quotas in effect for 1971 under the International Sugar Agreement amount to 8,122,400 tons, compared with the quotas for the 1970 calendar year, which had been only 6,182,376 tons.

Fruits, Nuts, and Vegetables

New Portuguese Cold-Storage Facility Opens

A new 2,300-short-ton cold-storage plant for fruit was recently opened in Castanheira do Ribatejo, Portugal. Capacity is scheduled to be expanded to 5,000 tons by late 1972. During dedication ceremonies, the Secretary of State for Commerce stated that cold-storage capacity of fruit has increased sixfold during the past 20 months.

Total capacity of Portuguese cold-storage facilities is placed at 8,800 tons of fruit. The Junta Nacional de Frutas plans to increase this capacity to 33,000 tons by 1973.

Turkish Filbert Estimate Revised

Revised estimates place the 1970 Turkish filbert crop at 265,000 short tons (in-shell basis), well above the 1964 record harvest of 215,000 tons. However, the abnormally heavy set, combined with unfavorable weather conditions during the growing season, resulted in poor quality. The crop contains an increased proportion of defective fruit as well as a below-normal shelling ratio.

TURKISH FILBERT SUPPLY AND DISTRIBUTION

Item	1967	1968	1969	1970[1]
	1,000 short tons	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*
Beginning stocks (Sept. 1)	80.0	2.0	—	—
Production	77.0	145.0	187.0	265.0
Total supply	157.0	147.0	187.0	265.0
Exports	148.0	138.1	180.4	210.0
Domestic disappearance	7.0	8.9	6.6	11.0
Ending stocks (Aug. 31)	2.0	—	—	44.0
Total distribution	157.0	147.0	187.0	265.0

[1] Revised.

Spanish Almond Production Recovers

Spain's 1970 almond crop totaled 35,000 short tons (kernel-weight basis), well above 1969's poor production. Reports from the major producing regions indicate almond acreage suffered little damage during the freezes in January.

Despite improved export sales and larger production, the Spanish trade feels prospects for the 1970-71 season are poor. Prices have declined sharply since the beginning of the season, reflecting the abundant supplies entering world markets. Shelled unselected Valencias were quoted at 69 cents per pound (f.o.b., Spanish port) in early January 1971, compared with 86 cents per pound in late July 1970. Price declines are expected to continue as merchants attempt to find markets for available stocks.

The preferential trade agreement between Spain and the Common Market went into effect on October 1, 1970. Despite rumors to the contrary, no tariff or duty concessions were granted to either almonds or filberts from Spain.

SPANISH ALMOND SUPPLY AND DISTRIBUTION

Item	1967-68	1968-69	1969-70	1970-71[1]
	1,000 short tons	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*
Beginning stocks (Sept. 1)	2.0	2.0	4.0	4.0
Production	30.0	41.0	24.0	35.0
Total supply	32.0	43.0	28.0	39.0
Exports	23.8	27.8	14.3	20.0
Domestic disappearance	6.2	11.2	9.7	14.0
Ending stocks (Aug. 31)	2.0	4.0	4.0	5.0
Total distribution	32.0	43.0	28.0	39.0

[1] Revised.

New French Dried Prune Estimates

Revised reports indicate a smaller 1970 French prune pack. Production is estimated at 15,400 short tons, 12 percent below the record 1969 crop of 17,600 tons. Unfavorable spring weather and late blossom were reported. Quality and size of fruit, however, is excellent. Average fruit size is estimated at 56-58 (count per lb.), the largest in recent years.

French exports are relatively insignificant and remain largely in the European Community. Exports can be expected to increase, however, as current nonbearing acreage comes into production. Although no new plantings are reported, over 50 percent of the total estimated 25,000 acres are nonbearing.

Prune imports are expected to be larger. Current forecasts indicate imports of 6,100 tons, 17 percent above the 1969-70 season and 7 percent above average. Imports of U.S. fruit are forecast lower because a greater portion of the market for large sizes is expected to be filled with domestic prunes. Larger imports of smaller sizes from Eastern European countries are forecast. The United States remained the major foreign supplier in the French market during the first 3 months of the 1970-71 season. However, the U.S. share of the market in the first 3 months declined from the 1969-70 level, while that of Yugoslavia increased substantially.

FRENCH SUPPLY AND DISTRIBUTION OF DRIED PRUNES

Item	1967-68	1968-69	1969-70	1970-71[1]
	1,000 short tons	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*
Beginning stocks (Sept. 1)	3.2	3.0	2.8	1.9
Production	13.8	16.0	17.6	15.4
Imports	4.0	4.2	5.2	6.1
Total supply	21.0	23.2	25.6	23.4
Exports	.7	.9	1.6	1.6
Domestic disappearance	17.3	19.5	22.1	20.2
Ending stocks (Aug. 31)	3.0	2.8	1.9	1.6
Total distribution	21.0	23.2	25.6	23.4

[1] Preliminary.

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Foreign Agriculture

Canada's Protein Grading Plan

(Continued from page 3)

mittee and an Eastern Standards Committee. These are to (a) select and recommend to the Commission samples of each grade of grain to represent as accurately as possible the minimum of that grade, (b) notify the Commission of names and specifications for other grades of grain that, in the Committees' opinions, should be established for a crop year, and (c) select and recommend to the Commission samples and grades of wheat according to protein classification for Canadian Western Red Spring wheat and Western Amber durum.

The authority for the last activity is the portion of the new Act that states, "Where protein content is a criterion of quality that applies to a grade of grain . . . that criterion shall be taken into consideration in determining the grade of the grain."

Also, either sorting of existing stocks of wheat according to protein classification or harvesting and classification of a new crop would have to occur before market activity by the new standards can take place.

It is certain that the world grain community anticipates the coming era in Canadian marketing with interest.

EXPORTS OF WHEAT BY THE UNITED STATES AND CANADA FOR 1967-68 THROUGH 1969-70

Importing countries	United States exports			Canada's exports		
	1967-68	1968-69	1969-70	1967-68	1968-69	1969-70
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Western Hemisphere:						
Brazil	1,292	782	906	—	—	—
Peru	247	103	158	—	—	—
Venezuela	595	657	684	85	72	51
Common Market:						
Belgium and Luxembourg	155	201	197	256	202	248
France	263	327	137	15	124	69
Germany, West	349	323	173	474	361	254
Italy	208	449	251	237	370	398
Netherlands	548	608	689	138	152	200
United Kingdom	283	122	322	1,790	1,523	1,325
Asia:						
Japan	2,224	1,833	2,382	1,097	1,246	1,068
Philippines	597	503	453	—	—	—
Communist bloc:						
Albania	—	—	—	41	60	55
Bulgaria	—	—	—	—	—	52
China, Mainland	—	—	—	1,367	2,097	1,830
Czechoslovakia	—	—	—	145	—	—
Hungary	—	—	—	67	83	—
Poland	—	—	—	107	178	71
USSR	—	—	—	1,372	147	1,105
Other	11,963	7,004	8,125	1,077	1,440	1,967
Total	18,807	13,054	14,715	8,268	8,055	8,693